

Capital Project Detail

REVENUES AND OTHER SOURCES OF FUNDING

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>TOTAL</u>
Prior Year Undesignated Funds	\$ 3,988,000	\$ 2,000,000	\$ 2,100,000	\$ 2,200,000	\$ 2,300,000	\$ 12,588,000

Each year, resulting from underspending and receipts that exceed estimates, the County generates a fund balance that is then set aside to meet financial targets adopted by the Board of Supervisors or is reinvested into the Capital Budget.

For FY 2003, primarily driven by an underestimate of personal property revenue, the expectation is that \$3,988,000 will be available at June 30, 2002, to reinvest in future capital spending. This represents a fund balance of almost 4 percent of the total operating budget. It is not expected that this will reoccur each year and the estimates for years FY 2004 and beyond reflect expectations of a more traditional funding level equal to less than 2 percent of the annual budget.

Contribution - County General Fund	810,000	1,042,000	1,274,000	1,506,000	1,738,000	6,370,000
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Each year over the past several years, the County has endeavored to contribute approximately 3 percent of its annual revenue budget to Capital projects. With the introduction of the national accounting and financial reporting changes for cities and counties, that target has been dramatically reduced. At a 3 percent level, \$3,120,000 would have been contributed. As it is, the General Fund contribution has been reduced by almost 75 percent in FY 2003.

Funding has changed for some projects previously found in the Capital Improvement Program. Only long-lived assets that result in a County asset are funded from a capital budget. Funding for items such as underground utilities, the Virginia Department of Transportation (VDOT) road match and matching funds for the construction of bikeways have been included in the General Fund budget, and are not shown in the C.I.P.

State School Construction Funds	163,142	160,000	160,000	160,000	160,000	803,142
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The General Assembly, each year, considers what part of the profits from the Lottery should be allocated to school construction. When this budget went to press, the FY 2003 number had been defined. Although it could be amended by later legislative or executive action, the figure shown above for FY 2003 is the figure currently under consideration by the State. Estimates are used for the figures shown as FY 2004 and beyond.

Proffers and Rollbacks	100,000	100,000	100,000	100,000	100,000	500,000
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The Capital budget enjoys a steady, but unpredictable, stream of revenue from the rollback taxes of properties that come out of a land-use taxation program. The roll back is the amount deferred for each of the last five years, plus interest. These properties agree to restrictions on development in exchange for being taxed on a use basis, instead of a market value basis. The difference is deferred or, if it is more than five years old, completely exempted.

In addition to rollbacks, the property owners in recent rezoning cases have proffered cash contributions to the CIP triggered by a site plan or a subdivision or some other event. The ultimate collection of proffers is predictable, the timing, however, is uncertain.

Redesignated - Within Capital Budget	728,765	0	0	0	0	728,765
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The current Capital Budget has been built on revenue and cost assumptions over the past several years. Project spending, which cannot exceed the budget, usually produces a residual budget balance that must be re-allocated. In addition, residual balances often appear in revenue accounts, receipted and deposited, but unbudgeted. A fairly large balance has accumulated in approximately 27 spending and revenue accounts and can be reallocated. The three largest accounts are all revenue accounts and represent past instances where the receipts exceeded the appropriated budget.